

Serial No. 09/834,478  
Atty. Docket No. 40655.1300

### **REMARKS**

In Reply to the Office Action mailed November 29, 2004, Applicants amend the application and seek reconsideration thereof. In this reply, Applicants amend claims 1-10, 12, 19, 21, 23-24, 28, 30-33, and 36-38. Applicants submit no new matter is added by these amendments. Applicants do not add or cancel any claims. Accordingly, claims 1-41 are still pending.

#### **I. Claims Rejected under 35 U.S.C. § 102**

The Examiner rejects claims 33, 34, 36-41 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,689,100 issued to Carrithers et al. ("Carrithers"). Applicants respectfully traverse the rejection, but amend independent claims 33 and 37 to expedite prosecution.

Carrithers is limited to a debit card system, wherein a user presents a debit card associated with an awards account having a point balance as payment for a purchase, and the points are converted to a currency value in order to make the purchase (See Carrithers, Col. 6, line 61 – Col. 7, line 13). In addition, the Carrithers system requires that the loyalty points be converted to currency prior to payment authorization for the transaction (See Carrithers, Col. 9, lines 17-26). If there are sufficient points (when converted to a currency amount) in the account to cover the requested currency amount, payment is authorized, whereas when there are not sufficient points available, the request is invalidated (See id.). Applicants submit the system in Carrithers only allows the conversion of points to occur prior to completing the purchase transaction since the debit card is strictly associated with the awards account. Therefore, because the system in Carrithers includes only one account and requires the points to be immediately available for conversion before authorization is transmitted or the authorization request is denied (e.g., prior to executing the charge), Carrithers does not teach the element of "posted to a financial account to offset an executed charge" as recited in independent claims 33, 37, and 38. Thus, Carrithers fails to teach all of the elements of claims 33, 37, and 38. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 33, 37, and 38.

Claims 34, 36, and 39-41 each either directly or indirectly depend from claim 33 or 38 and include all of the elements thereof. Therefore, Applicants submit claims 34, 36 and 39-41 are not anticipated by Carrithers at least for the same reasons as claims 33 and 38, in addition to

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**their own respective features. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 34, 36, and 39-41.**

## **II. Claims Rejected under 35 U.S.C. § 103**

The Examiner rejects claims 1-22, 24-32 and 35 under 35 U.S.C. § 103(a) as being obvious over Carrithers in view of what is known in the art. Applicants traverse the rejection, but amend claims 1, 5, 19, and 24 to expedite prosecution.

In making the rejection, the Examiner characterizes Carrithers as teaching most of the elements of independent claims 1, 5, 19, and 24, but not disclosing "that the points are held in one database account and the credit is given to a 2<sup>nd</sup> account (the debit card account)." Paper No. 18102004, page 4. To render obvious the elements of claim 1 not disclosed in Carrithers, the Examiner asserts:

It would have been obvious to one of ordinary skill in the art at the time of the invention was made to store the loyalty points in a first database account, with the converted currency value being credited to a 2<sup>nd</sup> account (the debit card account). Carrithers discloses the storing of loyalty points, retrieving that information, and converting points to currency as claimed. Having the points stored in a separate database account from the debit account itself is considered obvious to one of ordinary skill in the art. *Id.*

With reference to the merits of the Examiner's rejection of claim 1, Applicants submit Carrithers fails to teach each of the elements of claim 1 since Carrithers only teaches a system having one account and necessarily requires that the points be converted to a currency value before payment is authorized (e.g., prior to executing the charge), and does not teach or suggest the elements of "applying said currency value as a credit to a second account...wherein said currency value is applied to offset an executed charge" as recited in independent claim 1. Thus, Applicants submit one skilled in the art would not modify the single account/database system of Carrithers to read on claim 1. Therefore, Carrithers in view of the ordinary skill in the art fails to teach or suggest each of the elements of claim 1.

In addition, Applicants respectfully traverse the Examiner's assertion that it would have been obvious to one of ordinary skill in the art at the time of the invention was made to store the loyalty points in a first database account, with the converted currency value being credited to a 2<sup>nd</sup> account, and that having the points stored in a separate database account from the debit

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account itself is considered obvious to one of ordinary skill in the art. As such, Applicants respectfully request the Examiner to produce a reference disclosing such in accordance with MPEP § 2144.04.

Claims 2-4 each either directly or indirectly depend from claim 1 and include all of the elements thereof. Therefore, Applicants submit claims 2-4 are not obvious over Carrithers in view of the ordinary skill in the art at least for the same reasons as claim 1, in addition to their own respective features. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 2-4.

Regarding the rejection of independent claims 5, 19, and 24, Applicants submit each of these claims define methods or systems reciting elements similar to the elements recited in claim 1 discussed above. Therefore claims 5, 19, and 24 are not obvious over Carrithers in view of the ordinary skill in the art at least for the same reasons as claim 1, in addition to their own respective features. Accordingly, Applicants respectfully request withdrawal of the rejection of independent claims 5, 19, and 24.

Claims 6-18, 20-22, and 25-32 each either directly or indirectly depend from claims 5, 19, and 24, respectively, and include all of the elements thereof. Therefore, Applicants submit claims 6-18, 20-22, and 25-32 are not obvious over Carrithers in view of the ordinary skill in the art at least for the same reasons as claims 5, 19, and 24, respectively, in addition to their own respective features. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 6-18, 20-22, and 25-32.

Regarding claim 35, it depends from claim 33 and includes all of the elements thereof. Applicants have discussed above Carrithers' failure to teach each of the elements of claim 33. Therefore, since claim 35 includes each of the elements of claim 33, claim 35 is not obvious over Carrithers in view of the ordinary skill in the art for the same reasons as claim 33 discussed above, in addition to its own respective features. Therefore, Applicant respectfully request withdrawal of the rejection of claim 35.

The Examiner next rejects claim 23 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,774,870 issue to Storey ("Storey") in view of Carrithers. Applicants respectfully traverse the rejection.

In making the rejection, the Examiner characterizes Storey as disclosing each of the elements of claim 23 except "the use of loyalty points where the points are converted to a

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currency and credited to a financial transaction account.” Applicants have reviewed Storey in its entirety and submit Storey does not teach or suggest at least “posting said currency credit to said financial transaction account, wherein said currency credit is applied to offset an executed charge” as recited in independent claim 23. The Examiner relies on Carrithers to cure the defects of Storey, however, for the reasons discussed above, Carrithers fails to cure such defects. Specifically, Carrithers fails to teach or suggest the elements of “said currency credit is applied to offset an executed charge” since the credit in Carrithers must be applied before completing the transaction (e.g., prior to executing the charge). Therefore, Storey in view of Carrithers fails to teach or suggest each of the elements of claim 23.

The failure of Storey in view of Carrithers to teach or suggest each of the elements of claim 23 is fatal to the obviousness rejection. Therefore, claim 23 is not obvious over Storey in view of Carrithers. Accordingly, Applicants respectfully request withdrawal of the rejection of claim 23.

### CONCLUSION

In view of the foregoing, it is believed that all claims now pending are in condition for allowance. A Notice of Allowance is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned.

If necessary, the Commissioner is hereby authorized to charge payment or credit any overpayment to Deposit Account No. 1928-14 for any additional fees required under 37 C.F.R. §§ 1.16 or 1.17, particularly extension of time fees.

Respectfully submitted,

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